

FIG. 1

FIG. 2

Universal Dynamics

My Site Site Settings Help

Manager Advisor Plan Deploy Manage Evaluate Reward Authoring Publishing Administration Reporting

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Understanding the compensation program

All sources

Shelley Moore - Product Manager

Manager Advisor

- Plan
- Deploy
- Manage
- Evaluate
- Reward
- Authoring
- Publishing
- Administrati...
- Reporting

Actions

- Add Listing
- Create Subarea
- Upload Document
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- Manage Users
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Company philosophy

Effective compensation programs reward and encourage peak performance, enable the company to recruit and retain top performers and reduce turnover. Universal Dynamics is committed to investing in employees and to achieving the highest return on that investment. Recognizing and rewarding top performers who consistently add value to the organization provides that return and promotes a high-performance culture. Our compensation program is closely aligned with the business strategy and reinforces the company's commitment to success.

Related information

- Awarding a bonus
- Conducting a performance review
- Driving performance improvement
- Giving a salary increase
- Granting stock options
- Bonus policy
- Salary review policy
- Stock options policy

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Policy snapshot

Compensation is an important management tool to further the goals and vision of the company. The company has several compensation options available for managers to reward employees. When determining the best reward or combination of rewards for each employee, managers should consider the employee's

- performance
- value to the business
- role in the organization
- current compensation

Budget

- The salary committee determines the budget for salary increases and bonus awards and is responsible for communicating the information to managers by October 30th.
- This year's increase is 50% of base compensation, as of January 1st.
- Salary increase and bonus recommendations should not exceed the department budget.

Base salary

Base salary is compensation employees receive for performing their essential job functions. The company periodically evaluates base salary to be sure that it is in line with the marketplace and employees are being paid fairly. Managers must ensure that consistently high performers continue to move up in the salary range by receiving merit increases, typically on an annual basis.

Merit increase

Merit increases are performance-based rewards, typically awarded annually. They are not automatic or seniority-based. When considering merit increases, managers should carefully review each employee's performance compared to current base salary. Employees who consistently demonstrate high-quality performance should receive increases, low or poor performers should receive small or no increases.

Annual bonus

Bonuses are paid to employees based on achievement of specific goals. Like merit increases, annual bonuses are not guaranteed. Employees must meet their target goals and objectives to be eligible.

Bonuses provide an effective method for reinforcing a pay-for-performance culture. Since bonuses are designed to be motivational, employees should be provided quarterly updates regarding progress against established goals. Managers should ensure that their individual bonus pools are allocated appropriately to encourage, motivate and reward top performers.

Spot bonus

In addition to annual bonuses which recognize the year's accomplishments, bonuses can be awarded "on-the-spot" when an employee accomplishes something unique or outstanding. Spot bonuses provide an effective means of providing immediate recognition to employees who go above and beyond and accomplish a task that adds material value to the organization. A spot bonus is generally a cash award of \$500.00 or less. The presentation of the bonus should be personalized and the amount should reflect the level of achievement.

Promotional increase

Promotional increases recognize significant increases in job responsibilities. The increase is determined by the job grade for the new position and the placement of the employee's salary in the new range. An employee can be promoted at any time during the year. When determining the increase amount, managers should consider.

- current base pay
- time frame of the last increase
- current salary for others in the same position

Stock options

The goal of the stock option program is to encourage retention by providing employees with an ownership stake in the company and a potentially significant reward. A stock option award is appropriate for senior level employees who have a significant influence on business results. Managers should use stock options to continue to motivate and retain these employees as key contributors to the company's success.

Gift certificate

Gift certificates provide a quick and easy way to instantly recognize and reward employees who exceed expectations or accomplish goals outside their normal job responsibilities. Rewarding this type of behavior encourages and motivates other employees to perform at a higher level. Gift certificates range from \$100.00 to \$300.00. Non-cash awards avoid the pricing or compensation and tax issues raised by the use of cash.

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Manager's role

It is your responsibility to

- know and understand the variety of compensation options available to reward, motivate and retain top performers
- be aware of the philosophy behind each option and its intended performance result
- support the company's pay-for-performance business strategy with prudent use of compensation options
- discourage poor performance by limiting salary increases and other rewards when performance is below standard

Guidelines

- Ensure that employees fully understand all of the components of the compensation program,
- Including the fact that merit increases and bonuses are earned, not guaranteed.
- Consistently reward high performance.
- Use the compensation option that is most appropriate for the situation.
- Compensate all employees fairly and equitably.

Resources

- Compensation Philosophy Manual
- Salary Administration Strategy Document

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Legal considerations

All decisions regarding employee compensation, including salary increases, bonuses and other rewards, must be made in a non-discriminatory manner. All compensation information must be treated as highly confidential.

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All information on this Web site is subject to applicable laws and regulations described in the plan documents and other legal provisions. The material provided here is for informational purposes only. If there is any discrepancy, the plan documents govern.

I have read this page and understand the content

Acknowledge

FIG. 3

Universal Dynamics

My Site Site Settings Help

Manager Advisor Plan Deploy Manage Evaluate Reward Authoring Publishing Administration Reporting

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Awarding a bonus - Actions

All sources

Shelley Moore - Product Manager

Manager Advisor

- Plan
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- Tasks
- Preparation

Milestones

In the table below, you will find a listing of critical milestones to meet as you award a bonus:

| Milestones | Key dates |
|--|-------------------------------|
| Human Resources conducts a bonus kick-off meeting. | November 3 and June 4 |
| Distribute Self-assessment Form to all employees. | November 15 and June 15 |
| Collect Self-assessment Forms. | November 20 and June 20 |
| Complete a Goals Results Form for each employee. | November 20-25 and June 20-25 |
| Submit initial bonus award recommendations to your department head and Human Resources for approval. | November 27 and June 28 |
| Schedule a meeting with each employee to review performance and obtain a signed Goals Results Form. | December 1 and July 1 |
| Communicate approved bonus awards to each employee. | December 15 and July 15 |
| Bonuses are payable. | December 20 and July 20 |

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Tasks

When you award employees a bonus, you must:

- distribute to and collect from each employee a Self-assessment Form
- review employee performance as measured against goals
- complete a Goal Results Form for each employee
- submit initial recommendations to your department head and Human Resources to obtain approval for any proposed bonus awards
- schedule a meeting with each employee to review results
- provide Human Resources with the final Goal Results Form, signed by you and the employee
- communicate the approved bonus award to each employee

Determining the appropriate bonus amount
To determine the appropriate bonus amount for each employee, you should:

- measure the employee's progress against goals
- provide a percentage for "goal accomplished"
- calculate the total individual objective as a percentage
- compare the total individual objective percentage against the employee's bonus opportunity

Providing above average bonuses to top performers
If you feel that certain employees performed significantly better than others and deserve additional rewards, consider increasing their bonus award. To do this, you must:

- be sure the total bonus percentage is still within budget for your department
- obtain approval from your department head if the bonus is beyond the established range for an employee
- be prepared to document how the employee's performance and current responsibilities warrant the additional award

Providing no bonuses to poor performers
If you feel that certain employees did not perform up to standard, you may choose not to award them a bonus. Remember, bonuses are not guaranteed and are a reflection of an employee's performance. The decision not to award a bonus can be an appropriate and effective motivational tool.
If you do not award a bonus to an employee, be sure to:

- document the reasons why the employee should not receive a bonus (e.g., the employee is rated 2.5 or below)
- clearly explain what the employee needs to do going forward to improve performance
- enter zero dollars as a recommended bonus amount

To make bonus recommendations, use the Compensation management system.

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Preparation

To assist you in preparing for awarding a bonus, you may want to review:

- total compensation for each employee
- job grades and bonus opportunities
- annual budget

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FIG. 4

| Universal Dynamics | | | | | | | | | | Help | |
|---|-------------|--|----------------------|--------------------|-------|--|--|--|--|---------------------|--|
| Manager Advisor Home Plan Manage Deploy Evaluate Reward | | | | | | | | | | Your direct reports | |
| Your direct reports | | | | | | | | | | All sources | |
| Customer 02 - Director, Customer Operations | | | | | | | | | | | |
| <div>Manager Advisor Home<ul style="list-style-type: none">PlanManageDeployEvaluateReward</div> | | | | | | | | | | | |
| Job Details | | | | | | | | | | | |
| Employee ID | Name | Job Title | Performance Rating | Last Increase Date | Phone | | | | | | |
| EXTcust04 | Customer 04 | Team Lead, CCE | Unsatisfactory | 1/1/2004 | | | | | | | |
| EXTcust05 | Customer 05 | Team Lead, CCE | Exceeds Expectations | 1/1/2004 | | | | | | | |
| Vacation/Sick Time | | | | | | | | | | | |
| Employee ID | Name | Personal Time | Vacation Time | Sick Time | | | | | | | |
| EXTcust04 | Customer 04 | 11 | 17 | 19 | | | | | | | |
| EXTcust05 | Customer 05 | 20 | 22 | 34 | | | | | | | |
| Training Summary | | | | | | | | | | | |
| Employee ID | Name | Training Course | Grade | | | | | | | | |
| EXTcust04 | Customer 04 | Conflict resolution for customer service | Passed | | | | | | | | |
| EXTcust05 | Customer 05 | Conflict resolution for customer service | Passed | | | | | | | | |

FIG. 5

| | | | |
|---|--|---|--|
| Universal Dynamics | | My Site Site Settings Help | |
| Manager Advisor Plan Deploy Manage Evaluate Reward | | Authoring Publishing Administration Reporting | |
| Powered By AUTHORIA | | | |
| Authoring 52 50 66 | | | |
| Current Location ▼ Manager Advisor Authoring • Authoring Help | | Maintain event content ▼ □ Aligning with corporate goals □ Assessing your current organization 56 □ Awarding a bonus □ Creating a career development plan □ Creating a performance improvement plan □ Conducting a performance review □ Creating a staffing plan 54 □ Creating a succession plan □ Developing a salary plan □ Driving performance improvement □ Giving a salary increase □ Granting stock options □ Hiring an employee □ Identifying your optimum organization □ Managing a change in employee status □ Managing a complaint □ Managing a leave of absence □ Managing a reduction in force □ Managing a resignation □ Managing attendance □ Managing ongoing performance □ Managing the feedback process □ Onboarding an employee □ Promoting an employee □ Recruiting an employee □ Setting goals and objectives □ Staffing a position □ Terminating an employee □ Understanding the compensation program | |
| Actions □ Create Subarea □ Change Settings □ Manage Security □ Manage Content □ Manage Portal Site □ Add to My Links □ Alert Me □ Edit Page | | Maintain configuration ▼ Type Name 60 □ Contact roles □ Employee groups □ Event types □ Links □ Substitution variables □ System variables Maintain home page content ▼ Type Name 62 □ Home page content Maintain index pages content ▼ Type Name □ Index pages content Maintain employee summary page design ▼ Contacts ▼ Last Name First Name Business Phone E-mail Address There are no items to show in this view of the "Contacts" list. To create a new item, click "Add new item" below. □ Add new item Maintain pictures ▼ Maintain resources ▼ | |

FIG. 6

Universal Dynamics

Manager Advisor Plan Deploy Manage Evaluate Reward Authoring Publishing Administration Reporting My Site Site Settings Help

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➔

This topic

🔍

Current Location

▼ Manager Advisor

Publishing

Actions

☒ Add Listing

☒ Add Person

☒ Create Subarea

☒ Upload Document

☒ Change Settings

☒ Manage Security

☒ Manage Content

☒ Manage Portal Site

☒ Add to My Links

☒ Alert Me

☒ Edit Page

1. Choose what you want to publish

☐ Publish All

☒ Publish Specific Items

☒ Publish event content

Choose an event type

--ALL--

Available events

Managing a reduction in force

Promoting an employee

Driving performance improvement

Creating a staffing plan

Creating a performance improvement plan

Managing the feedback process

Onboarding an employee

Hiring an employee

Selected events

Managing a resignation

Giving a salary increase

Terminating an employee

Granting stock options

Conducting a performance review

Managing a change in employee status

Developing a salary plan

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➔

This topic

🔍

2. Choose where you want to publish

☒ Authoring Preview

(Server = http://evo-2k3-zb791; Area = /)

Staging Production

(Server = Value not specified; Area = Value not specified)

Publish

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3. Get Publishing Status

Get Status

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☒ Publish page views

Choose an event type

Understanding the compensation program

☐ Publish other components

☐ Publish configuration

☐ Publish contacts

☐ Publish employee summary page

☐ Publish index pages

☐ Publish manager home page

☐ Publish pictures

☐ Publish resources

FIG. 7

$$\frac{F}{G} \infty$$





| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|-----------|--|--|--|--|--|--|--|--|--|----------------------|--|--|--|--|--|--|--|--|--|
|  Universal Dynamics | | | | | | | | | | My Site Site Settings Help | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Manager Advisor | | | | | | | | | | Plan Deploy Manage Evaluate Reward Authoring Publishing Administration Reporting | | | | | | | | | | Powered By AUTHORIA | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | <i>Compliance report</i> | | | | | | | | | |  This topic  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current Location | | | | | | | | | | This report lists the events for which compliance is required and specifies which managers have acknowledged reading the event content. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ▼ Manager Advisor | | | | | | | | | | Event Name | | | | | | | | | | Viewer Name | | | | | | | | | | Viewer ID | | | | | | | | | | Time Acknowledged | | | | | | | | | |
| ▼ Reporting | | | | | | | | | | Creating a staffing plan | | | | | | | | | | Ken Hecht | | | | | | | | | | 781530208 | | | | | | | | | | 3/23/2004 2:38:49 PM | | | | | | | | | |
| Compliance report | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | Total : 1 | | | | | | | | | | | | | | | | | | | |
| Actions | | | | | | | | | | Managing a leave of absence | | | | | | | | | | Ryan Smith | | | | | | | | | | 781530207 | | | | | | | | | | 3/23/2004 2:38:08 PM | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | Total : 1 | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Create Subarea | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Change Settings | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Manage Security | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Manage Content | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Manage Portal Site | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Add to My Links | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Alert Me | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Edit Page | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

FIG. 9

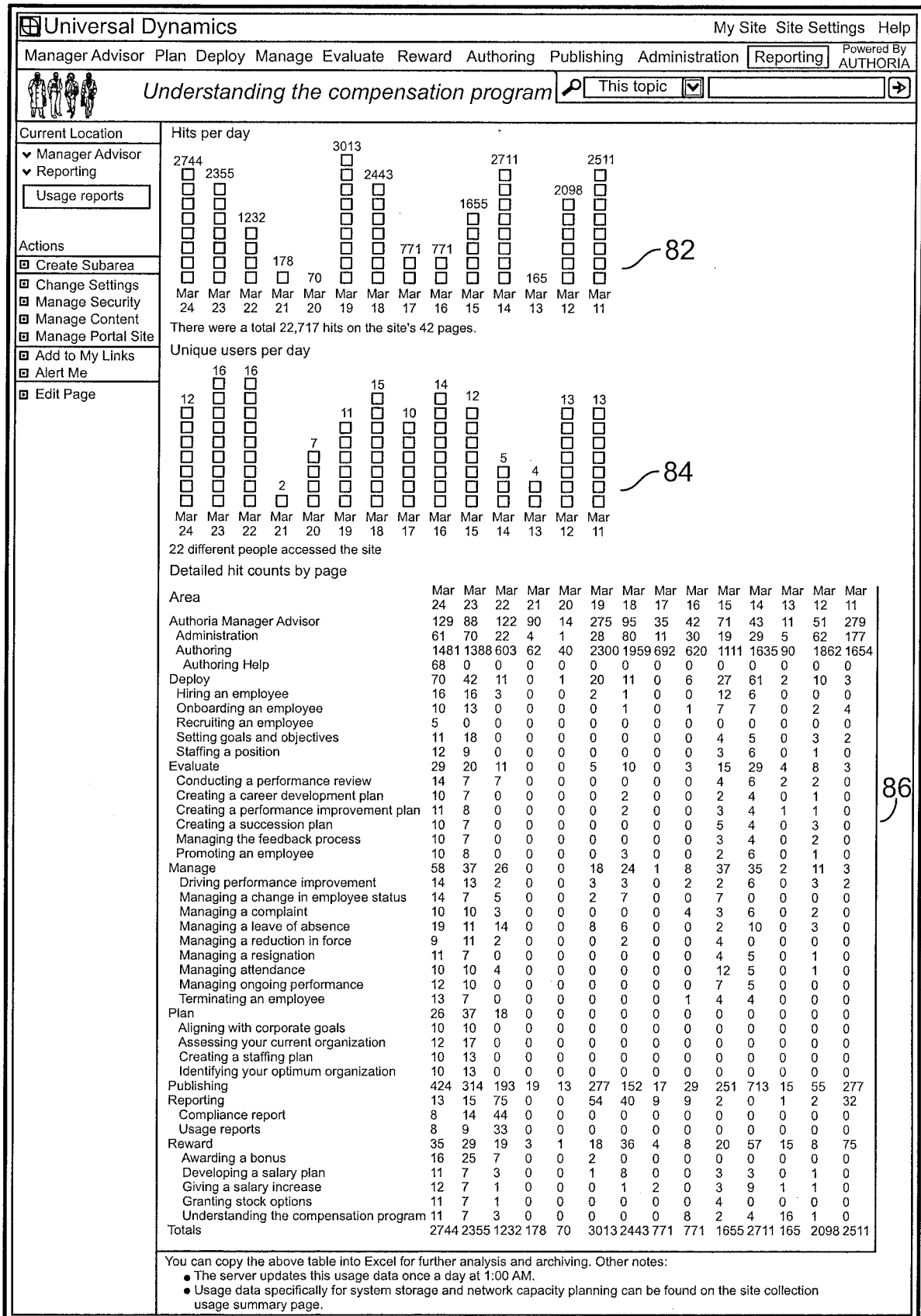


FIG. 10

Substitution variables

Help

Substitution variables overview

A substitution variable can be used to substitute a value for another value in content that appears on pages. When configuring content, you can use brackets to delineate a variable whose value should be determined using this form. For example; if {employee} is used in content, the system will look for a variable ID named "employee" (case sensitive), and substitute the term in the "Value" column.

| Variable id | Description | Value |
|------------------------------------|---|------------------------------------|
| ▼ Company | Substitution variable for the word Company | Company |
| Companies | Substitution variable for the word Companies | Companies |
| Company's | Substitution variable for the word Company's | Company's |
| company | Substitution variable for the word company | company |
| companies | Substitution variable for the word companies | companies |
| company's | Substitution variable for the word company's | company's |
| Company name | Substitution variable for the word Universal Dynamics | Universal Dynamics |
| Company name's | Substitution variable for the word Universal Dynamics' | Universal Dynamics' |
| a company | Substitution variable for the phrase a company | a company |
| Department | Substitution variable for the word Department | Department |
| Departments | Substitution variable for the word Departments | Departments |
| Departments' | Substitution variable for the word Department' | Departments' |
| Department's | Substitution variable for the word Department's | Department's |
| Departmental | Substitution variable for the word Departmental | Departmental |
| department | Substitution variable for the word department | department |
| departments | Substitution variable for the word departments | departments |
| department's | Substitution variable for the word department's | department's |
| departments' | Substitution variable for the word departments' | departments' |
| departmental | Substitution variable for the word departmental | departmental |
| a departmental | Substitution variable for the phrase a departmental | a departmental |
| Employee | Substitution variable for the word Employee | Employee |
| Employees | Substitution variable for the word Employees | Employees |
| Employee's | Substitution variable for the word Employee's | Employee's |
| employee | Substitution variable for the word employee | employee |
| employees | Substitution variable for the word employees | employees |
| employee's | Substitution variable for the word employee's | employee's |
| employees' | Substitution variable for the word employees' | employees' |
| An employee | Substitution variable for the phrase An employee | An employee |
| an employee | Substitution variable for the phrase an employee | an employee |
| an employee's | Substitution variable for the phrase an employee's | an employee's |
| Career management system | Substitution variable for the phrase Career management system | Career management system |
| Compensation management system | Substitution variable for the phrase Compensation management system | Compensation management system |
| Human Resources management system | Substitution variable for the phrase Human Resources management system | Human Resources management system |
| Performance management system | Substitution variable for the phrase Performance management system | Performance management system |
| Staffing management system | Substitution variable for the phrase Staffing management system | Staffing management system |
| Time and absence management system | Substitution variable for the phrase Time and absence management system | Time and absence management system |
| Highlights | Substitution variable for the text of the Highlights tab | Highlights |
| Actions | Substitution variable for the text of the Actions tab | Actions |
| Tips | Substitution variable for the text of the Tips tab | Tips |
| Company philosophy | Substitution variable for the text of the Company philosophy section header | Company philosophy |
| Policy snapshot | Substitution variable for the text of the Policy snapshot section header | Policy snapshot |
| Manager's role | Substitution variable for the text of the Manager's role section header | Manager's role |
| Legal considerations | Substitution variable for the text of the Legal considerations section header | Legal considerations |
| Preparation | Substitution variable for the text of the Preparation section header | Preparation |
| Milestones | Substitution variable for the text of the Milestones section header | Milestones |
| Tools | Substitution variable for the text of the Tools section header | Tools |
| Tasks | Substitution variable for the text of the Tasks section header | Tasks |

FIG. 11

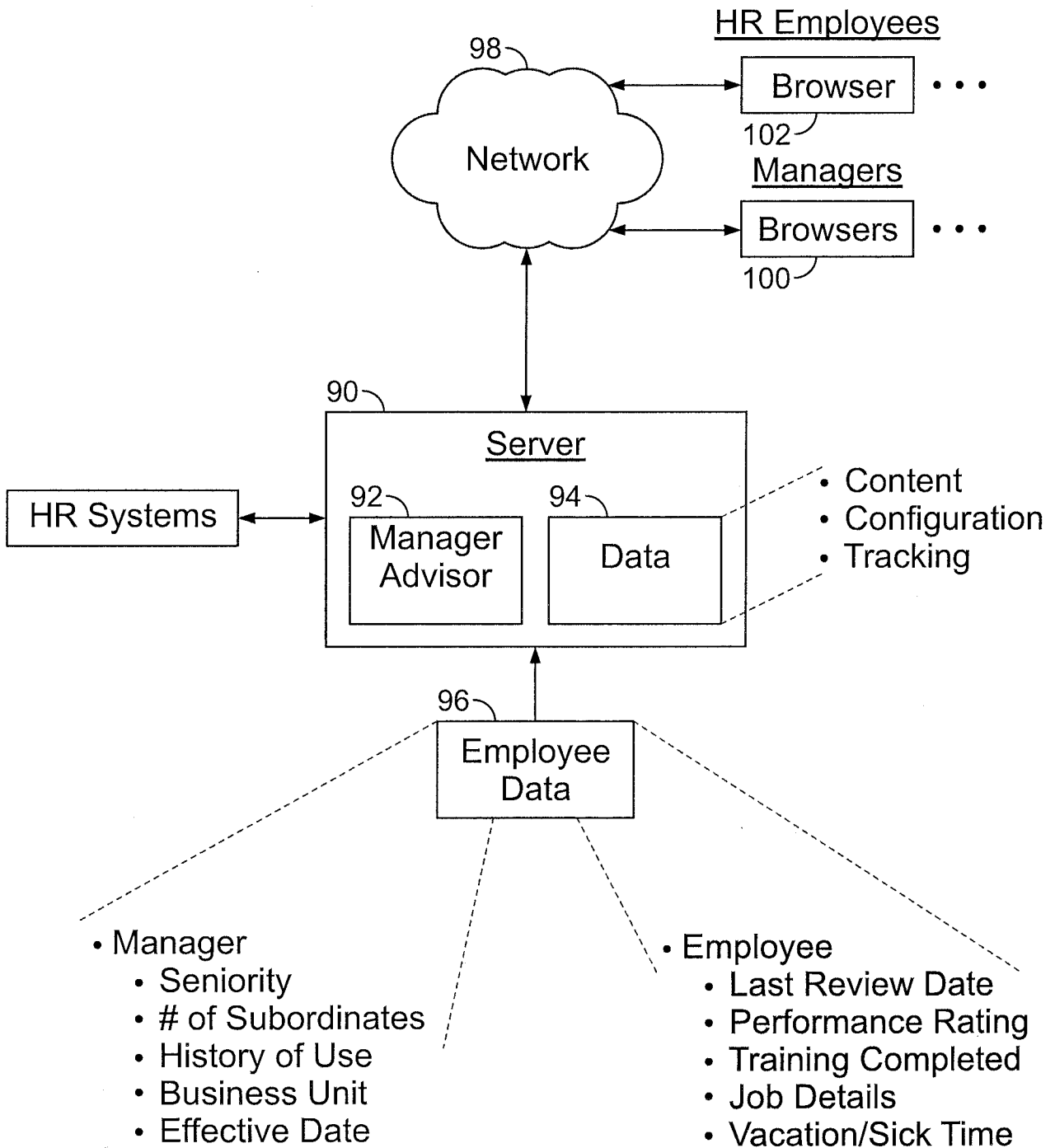


FIG. 12